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OO RUEH DU RUEHMR RUEHRN
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FM AMEMBASSY HARARE
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3711
INFO RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE
RUEHAR/AMEMBASSY ACCRA 2440
RUEHDS/AMEMBASSY ADDIS ABABA 2558
RUEHRL/AMEMBASSY BERLIN 1058
RUEHBY/AMEMBASSY CANBERRA 1834
RUEHDK/AMEMBASSY DAKAR 2189
RUEHKM/AMEMBASSY KAMPALA 2614
RUEHNR/AMEMBASSY NAIROBI 5042
RUEAIIA/CIA WASHDC
RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK
RHMFISS/EUCOM POLAD VAIHINGEN GE
RHEFDIA/DIA WASHDC
RUEHGV/USMISSION GENEVA 1706
RHEHAAA/NSC WASHDC

C O N F I D E N T I A L HARARE 001035

SIPDIS

AF/S FOR B.WALCH
DRL FOR N. WILETT
ADDIS ABABA FOR USAU
ADDIS ABABA FOR ACSS
STATE PASS TO USAID FOR E. LOKEN AND L. DOBBINS
STATE PASS TO NSC FOR SENIOR AFRICA DIRECTOR B. PITTMAN

E.O. 12958: DECL: 11/19/2018
TAGS: [PGOV](#) [PREL](#) [ASEC](#) [ECON](#) [EMIN](#) [ZI](#)
SUBJECT: ZIMBABWE DIAMONDS: THE RUSSIANS ARE COMING

REF: A. HARARE 1016
[1](#)B. 07 HARARE 319

Classified By: Ambassador James D. McGee for reason 1.4 (d)

[1](#)1. (C) We spoke about the Chiadzwa diamond fields on November 19 with Greg Sebborn. Sebborn is the former CEO of Zimplats and is currently a consultant to African Consolidated Resources (ACR). He has good connections within the Government of Zimbabwe (GOZ).

[1](#)2. (C) Sebborn said Chiadzwa had the potential to be one of the world's largest diamond mines. During the last eight months over USD 1 billion was realized by Chiadzwa diamond sellers. To date, the GOZ has received little revenue; regime insiders have been the principal beneficiaries of diamond sales. Sebborn added that in Surat, India, where most of the world's diamonds are cut, over one-half now come from Zimbabwe.

[1](#)3. (C) Sebborn said that the CEO of ALROSA, Russia's biggest diamond company, will visit Harare on November 25 at the invitation of Reserve Bank of Zimbabwe governor Gideon Gono. He speculated that ALROSA would discuss with Gono the purchase of rights to Chiadzwa.

[1](#)4. (C) With reference to ACR's legal claim to Chiadzwa (Ref B), Sebborn said that ACR had received a favorable ruling in the High Court that the GOZ was refusing to honor. For the time being, rather than pursuing the matter legally, ACR was trying to convince the GOZ to let it operate Chiadzwa in exchange for a share of the profits. Sebborn opined that ACR had not been able to strike a deal because regime insiders are enjoying tremendous income under the status quo and are not concerned about the government and its need for revenues.

McGee